# GOVERNMENT OF INDIA
# COMMERCE AND INDUSTRY
# LOK SABHA

UNSTARRED QUESTION NO:2391
ANSWERED ON:09.08.2005
LOSS TO ITPO
Meinya Dr. Thokchom

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

(a) whether CAG in its report dated 15.03.2005 has indicated a loss of Rs. 233 lacs by ITPO in its good and beverage division due to undue favours to the private parties;

(b) if so, the action taken by the Government in this regard;

(c) whether a Joss of revenue to the tune of Rs. 65 lacs was incurred due to fixation of lower space rent, non-recovery of liveries paid to staff and payment for expenses to non-ITPO staff during the Indian Trade Exhibition in Febraary,2003 in Moscow; and

(d) if so, steps taken up to recover the losses?

## Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a) A factual statement has been received in March, 2005 by ITPO from the Principal Director of Commercial Audit pointing to loss of Rs. 233.91 lakh due to not analysing financial soundness, taking inadequate security & undue favours to private parties, and ITPO asked to verify the facts and send a para-wise reply.

(b) Out of the total dues amounting to Rs. 233.91 lacs, an amount of Rs. 34.64 lacs has already been recovered. ITPO has filed recovery suits for recovery of balance amount also.

(c)& (d) Internal Audit of Accounts pertaining to the Indian Trade Exhibition held in Moscow in February, 2003 has pointed out various irregularities resulting in loss of revenue. A vigilance inquiry is underway and in the meantime, Central Bureau of Investigation has also initiated a preliminary inquiry into the matter.